

August 18th , 2006

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ONTARIO, ALBERTA, SASKATCHEWAN, MANITOBA, QUEBEC, NOVA  
SCOTIA, NEW BRUNSWICK AND NEWFOUNDLAND AND LABRADOR**

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS**

**AND**

**IN THE MATTER OF  
SMK SPEEDY INTERNATIONAL INC.**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the Jurisdictions) has received an application from SMK Speedy International Inc. (the Applicant) for a decision under the securities legislation of the Jurisdiction (the Legislation) that the Applicant be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the System):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS Decision Document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meanings in this decision unless they are defined in this decision.

**Representations**

This decision is based on the following facts represented by the Applicant:

1. The Applicant was originally incorporated under the Business Corporations Act (Ontario) (the OBCA) under the name Speedy Muffler King Inc. by certificate of incorporation issued December 1, 1988. On January 7, 2004, the Applicant completed a plan of arrangement whereby a subsidiary of 578098 Alberta Ltd. (operating as Minute Muffler & Brake) acquired all of the issued and outstanding common shares (the Common Shares) of the Applicant (the Plan of Arrangement) and the Applicant was issued a certificate of arrangement under the OBCA on January 7, 2004.

2. The head office of the Applicant is located at Suite 1100, 365 Bloor Street West, Toronto, Ontario, M4W 3M7.

3. The authorized capital of the Applicant consists of an unlimited number of common shares of which 100 Common Shares are issued and outstanding.

4. The Applicant (or its predecessor) has been a reporting issuer in the Jurisdictions since July 14, 1993.

6. 578098 Alberta Ltd. became the sole owner of all of the Common Shares of the Applicant upon the issuance of the certificate of arrangement evidencing the Plan of Arrangement on January 7, 2004.

7. Pursuant to the Plan of Arrangement, shareholders of the Applicant received in the aggregate for their Common Shares:

(a) \$49,079,000 in cash;

(b) \$24,000,000 of principal amount of five year subordinated secured notes of the Applicant, \$19 million of which had a total yield of 14% per annum with the remaining \$5 million having money market yield (the Acquisition Notes); and

(c) US\$9,000,000 (or US\$0.65 per share) principal amount of US dollar denominated limited recourse notes of the Applicant which bore interest at an effective rate of 2.33% per annum above the US prime rate (the T-Notes).

8. On March 3, 2006, the Applicant, with the approval of the holders of the T-Notes, assigned all of its rights and obligations under the T-Notes to Maple Trust Company.

9. On May 15, 2006, the Applicant, with the approval of the holders of the T-Notes, was fully released from all of its rights and obligations under the T-Notes.

10. In November 2005, the Applicant repaid \$5 million of the Acquisition Notes and the holders of the Acquisition Notes agreed to the Applicant's proposal to repay the remaining Acquisition Notes by April 30, 2006.

11. On March 28, 2006, the holders of the Acquisition Notes agreed to a reduction in deferred interest owed under the Acquisition Notes in an amount of up to \$1,400,000 to be determined by

a pre-determined formula and to give the Applicant until May 15, 2006 to repay the Acquisition Notes.

12. On May 15, 2006, the Applicant repaid to the holders of the Acquisition Notes all of the amounts owing under the Acquisition Notes, other than the reduction of deferred interest in the amount of \$900,000 which was determined pursuant to the formula agreed to on March 28, 2006.

13. All the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by one security holder, being 578098 Alberta Ltd.

14. The Common Shares commenced trading on the Toronto Stock Exchange (TSX) on July 14, 1993, and were quoted under the trading symbol "SMK".

15. As a result of the Plan of Arrangement, the Common Shares were delisted from the TSX in January, 2004.

16. No securities, including debt securities, of the Applicant are listed or traded on any marketplace as defined in National Instrument 21-101 Marketplace Operation.

17. The Applicant has no current intention to seek public financing by way of an offering of securities.

18. The Applicant is in default of its obligation as a reporting issuer under the Legislation to file annual financial statements, related management's discussion and analysis and certificates within 120 days of the end of its financial year ended December 31, 2005.

19. The Applicant is in default of its obligation as a reporting issuer under the Legislation to file interim financial statements, related management's discussion and analysis and certificates within 60 days of the end of its interim financial period ended March 31, 2006.

20. Other than as described in paragraphs 18 and 19, above, the Applicant is not in default of any of its obligations as a reporting issuer under the securities legislation of the Jurisdictions.

21. Upon the grant of the relief requested herein, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

## **Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides that the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

"David L. Knight"

"Paul K. Bates"